

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Reseller Expedited Package Services 2
(MC2013-51)
Negotiated Service Agreement

Docket No. CP2016-166

ORDER APPROVING MODIFICATION FOUR TO
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2
NEGOTIATED SERVICE AGREEMENT

(Issued June 12, 2017)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.¹ For the reasons discussed below, the Commission approves Modification Four.

¹ Notice of the United States Postal Service of Filing Modification Four to Global Reseller Expedited Package 2 Negotiated Service Agreement, June 9, 2017 (Notice). The modification is an attachment to the Notice (Modification Four).

In Order No. 3316, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).² On June 9, 2017, the Postal Service filed notice that it has agreed to Modification Four to the Existing Agreement.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement expires on June 30, 2017. Notice at 1. Modification Four revises the Existing Agreement so that it will remain in effect until July 31, 2017, and updates the customer's address. *Id.*

Modification Four does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

² See Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, May 23, 2016 (Order No. 3316). The contract was later modified. See Order No. 3491, Order Approving Modification to Global Reseller Expedited Package Contracts 2 Negotiated Service Agreement, August 29, 2016; Order No. 3561, Order Approving Modification to Global Reseller Expedited Package Services 2 Negotiated Service Agreement, October 12, 2016; Order No. 3913, Order Approving Modification Three to Global Reseller Expedited Package Services 2 and Denying as Moot Motion for Temporary Relief, May 23, 2017.

Other considerations. The Existing Agreement, as modified, is set to expire on July 31, 2017, unless terminated sooner. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the scheduled expiration date.

By the Commission.

Stacy L. Ruble
Secretary